

29 November 2021

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Waves of selling activity could still be hitting the Malaysian bourse ahead. Last week, the benchmark FBMKLCI came under relentless selling pressure, tumbling to as low as 1,509 before finishing at 1,512 on Friday. This represents a weekly decline of 13.3 points or 0.9%. Suffering even steeper losses were the small- and micro-caps as the FBM Small Cap Index (-4.1%), the FBM Fledgling Index (-4.8%) and the FBM ACE Index (-5.2%) bore the brunt of the selling. Over on Wall Street, the DJIA lost ground with a week-on-week drop of 702.6 points or 2.0% to close at 34,899.

As market breadth stood overwhelmingly negative in all five trading days, the local stock exchange saw a daily average turnover of 3.4b shares valued at RM2.5b, higher than the prior week's average of 3.1b shares worth RM2.2b. While both the domestic institutions and local retail investors were net buyers (registering net weekly buying trades of RM54m and RM110m, respectively), foreigners turned net sellers (totalling RM164m) for the first time in eight weeks. Still, with month-to-date net inflows of RM329m so far, foreign investors will likely close the month as net buyers for the whole of November, extending their net monthly buying pattern since August this year.

With two more trading days to go before we enter the final month of 2021, investors may want to leave November behind (as the FBMKLCI slipped 3.2% month-to-date) and look forward to better times ahead. And statistically, the odds are in their favour as the key market barometer had logged positive monthly performance for December in nine of the last 10 years, including the most recent six years. This translates to an average monthly return of +2.2% since 2011.

For the coming week, the calendar of events will kick off with the release of the October external trade data later today. This will be followed by the publication of the October banking industry statistics tomorrow and the Manufacturing PMI on Wednesday. Overseas, there will be a meeting by OPEC on Thursday to deliberate on the latest supply-demand dynamics in the global oil market. Of added interest too is the latest news on the new variant of concern of the Covid-19 virus, which may spread faster than the previous variants and derail the world's economic recovery momentum.

On the corporate front, the tail-end of the July – September earnings reporting season will see the final batches of results announcements from the likes of Public Bank, Hong Leong Bank, Sime Darby, IJM Corporation, IHH Healthcare, UMW Holdings, Malaysia Airports, Velesto Energy, QL Resources (all due today) and CIMB Group, RHB Bank, Kelington Group, Mah Sing Group (all scheduled for tomorrow). Meanwhile, the outcome of the semi-annual review of the FBMKLCI index constituents will be unveiled on Thursday. Based on our analysis, Inari Amertron is slated to replace Hap Seng Consolidated as an index component stock effective from 20 December.

Technically speaking, even after falling by 86.1 points or 5.4% over the past six consecutive weeks to hover near its lowest level since mid-August, there are still no signs of the selling pressure subsiding yet. This being the case, continuing from where it left off, the FBMKLCI will likely face an extended test of resilience ahead. On account of the downward momentum triggered by the 2-line simple moving average crossover and the decelerating Parabolic SAR indicator, the market bellwether remains vulnerable to slide under our immediate support line of 1,510 (S1). A break beneath S1 may then push the FBMKLCI towards the next support threshold of 1,475 (S2), a level that was previously tested back in August this year.

In the US, amid an ongoing consolidation phase, the DJIA will probably pull back further following a gap-down last Friday although its medium-term uptrend pattern remains intact. We have tweaked our key support and resistance levels to 34,100 (S1) / 33,200 (S2) and 35,400 (R1) / 36,800 (R2), respectively.



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Chart 1 – FBMKLCI



Source: Kenanga Research

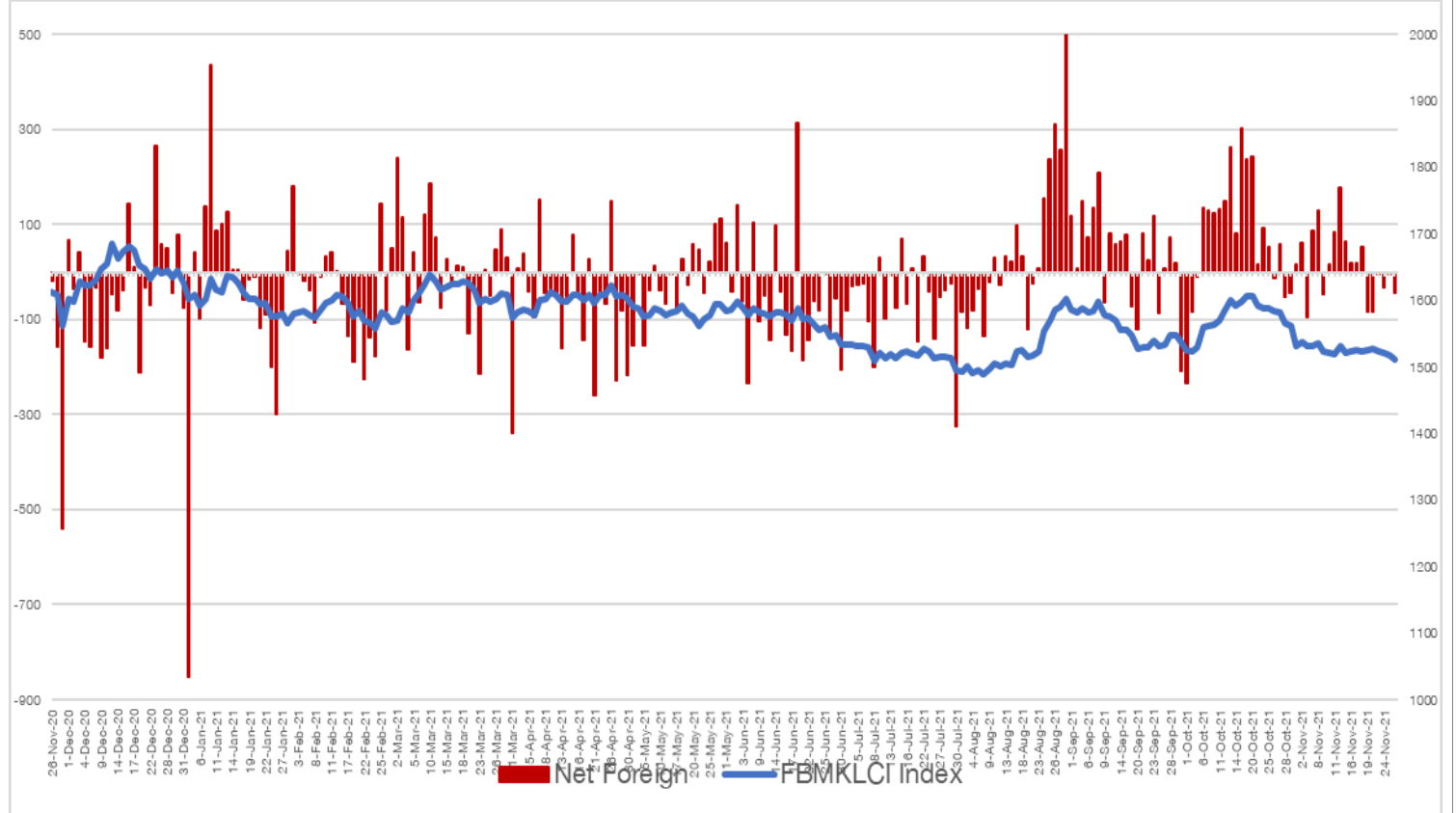
Chart 2 – DJIA



Source: Kenanga Research

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Net Foreign Trade Position vs FBMKLCI



Foreign investors turned net sellers with net outflows of RM163.6m last week compared to cumulative net inflows of RM66.6m in the prior week

Source: Kenanga Research

29 November 2021




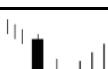
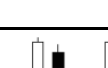


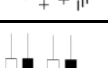
STOCK CALL MONITOR*

| Stock Name | Issue Date (ID) | Rating | Price @ ID RM | Target Price (TP) RM | Stop Loss Price (SL) RM | Upside Potential @ ID % | Downside Risk @ ID % | Risk to Reward Ratio | Highest Price since ID RM | Lowest Price since ID RM | Last Price RM | Status [^] | Date Status Fulfilled |
|------------------------------|-----------------|-------------|------------------|-------------------------|----------------------------|----------------------------|-------------------------|----------------------|------------------------------|-----------------------------|------------------|---------------------|-----------------------|
| JF TECHNOLOGY BHD | 29/10/2021 | Trading Buy | 1.49 | 1.68 | 1.32 | 13% | -11% | 1.12x | 1.61 | 1.44 | 1.45 | Open | |
| SOUTHERN CABLE GROUP BHD | 29/10/2021 | Trading Buy | 0.52 | 0.59 | 0.46 | 15% | -12% | 1.25x | 0.55 | 0.43 | 0.43 | SL Hit | 10/11/2021 |
| CCK CONSOLIDATED HOLDINGS BH | 2/11/2021 | Trading Buy | 0.60 | 0.68 | 0.53 | 13% | -12% | 1.14x | 0.64 | 0.56 | 0.56 | Open | |
| KRONOLOGI ASIA BHD | 2/11/2021 | Trading Buy | 0.62 | 0.68 | 0.56 | 11% | -9% | 1.18x | 0.67 | 0.55 | 0.55 | SL Hit | 26/11/2021 |
| OMESTI BHD | 3/11/2021 | Trading Buy | 0.43 | 0.48 | 0.38 | 13% | -11% | 1.22x | 0.43 | 0.40 | 0.40 | Open | |
| FOUNDPAC GROUP BHD | 3/11/2021 | Trading Buy | 0.78 | 0.89 | 0.70 | 14% | -10% | 1.38x | 0.79 | 0.66 | 0.67 | SL Hit | 25/11/2021 |
| XIN HWA HOLDINGS BHD | 5/11/2021 | Trading Buy | 0.35 | 0.39 | 0.31 | 13% | -10% | 1.29x | 0.34 | 0.28 | 0.30 | SL Hit | 15/11/2021 |
| REVENUE GROUP BHD | 5/11/2021 | Trading Buy | 1.80 | 2.00 | 1.62 | 11% | -10% | 1.11x | 1.82 | 1.45 | 1.45 | SL Hit | 11/11/2021 |
| ENGTEX GROUP BHD | 9/11/2021 | Trading Buy | 0.62 | 0.70 | 0.55 | 13% | -11% | 1.14x | 0.63 | 0.59 | 0.59 | Open | |
| SALUTICA BHD | 9/11/2021 | Trading Buy | 0.62 | 0.69 | 0.56 | 11% | -10% | 1.17x | 0.65 | 0.52 | 0.53 | SL Hit | 26/11/2021 |
| ECO WORLD INTERNATIONAL BHD | 10/11/2021 | Trading Buy | 0.47 | 0.53 | 0.42 | 13% | -11% | 1.20x | 0.49 | 0.44 | 0.46 | Open | |
| GLOMAC BHD | 10/11/2021 | Trading Buy | 0.35 | 0.40 | 0.30 | 14% | -14% | 1.00x | 0.36 | 0.32 | 0.33 | Open | |
| FITTERS DIVERSIFIED BHD | 11/11/2021 | Trading Buy | 0.48 | 0.54 | 0.42 | 14% | -12% | 1.18x | 0.52 | 0.42 | 0.43 | SL Hit | 26/11/2021 |
| PERTAMA DIGITAL BHD | 11/11/2021 | Trading Buy | 0.56 | 0.63 | 0.49 | 14% | -12% | 1.15x | 0.57 | 0.50 | 0.51 | Open | |
| GENTING MALAYSIA BHD | 12/11/2021 | Trading Buy | 3.15 | 3.51 | 2.84 | 11% | -10% | 1.16x | 3.20 | 2.93 | 2.93 | Open | |
| SARAWAK OIL PALMS BERHAD | 12/11/2021 | Trading Buy | 3.63 | 4.06 | 3.24 | 12% | -11% | 1.10x | 3.84 | 3.53 | 3.53 | Open | |
| POH KONG HOLDINGS BHD | 16/11/2021 | Trading Buy | 0.85 | 0.96 | 0.76 | 13% | -11% | 1.22x | 0.87 | 0.79 | 0.80 | Open | |
| BAHVEST RESOURCES BHD | 16/11/2021 | Trading Buy | 0.53 | 0.60 | 0.47 | 13% | -11% | 1.17x | 0.55 | 0.45 | 0.45 | SL Hit | 23/11/2021 |
| PESTECH INTERNATIONAL BHD | 17/11/2021 | Trading Buy | 1.15 | 1.28 | 1.03 | 11% | -10% | 1.08x | 1.16 | 0.94 | 1.03 | SL Hit | 17/11/2021 |
| GDEX BHD | 17/11/2021 | Trading Buy | 0.31 | 0.35 | 0.27 | 13% | -13% | 1.00x | 0.32 | 0.30 | 0.30 | Open | |
| TUNE PROTECT GROUP BHD | 18/11/2021 | Trading Buy | 0.51 | 0.57 | 0.46 | 12% | -10% | 1.20x | 0.49 | 0.42 | 0.42 | SL Hit | 18/11/2021 |
| CJ CENTURY LOGISTICS HOLDING | 18/11/2021 | Trading Buy | 0.64 | 0.73 | 0.56 | 14% | -13% | 1.13x | 0.68 | 0.56 | 0.56 | SL Hit | 26/11/2021 |
| DAGANG NEXCHANGE BHD | 19/11/2021 | Trading Buy | 0.84 | 0.95 | 0.73 | 14% | -13% | 1.10x | 0.89 | 0.82 | 0.82 | Open | |
| FLEXIDYNAMIC HOLDINGS BERHAD | 19/11/2021 | Trading Buy | 0.36 | 0.43 | 0.29 | 21% | -18% | 1.15x | 0.39 | 0.31 | 0.35 | Open | |
| MSM MALAYSIA HOLDINGS BHD | 23/11/2021 | Trading Buy | 1.53 | 1.77 | 1.31 | 16% | -14% | 1.09x | 1.61 | 1.17 | 1.22 | SL Hit | 25/11/2021 |
| MYNEWS HOLDINGS BHD | 23/11/2021 | Trading Buy | 0.92 | 1.03 | 0.80 | 13% | -13% | 1.00x | 0.92 | 0.88 | 0.88 | Open | |
| MUHIBBAH ENGINEERING (M) BHD | 24/11/2021 | Trading Buy | 0.90 | 1.00 | 0.79 | 12% | -12% | 1.00x | 0.90 | 0.81 | 0.85 | Open | |
| MMS VENTURES BHD | 24/11/2021 | Trading Buy | 1.07 | 1.22 | 0.93 | 14% | -13% | 1.07x | 1.14 | 1.00 | 1.00 | Open | |
| ASTRO MALAYSIA HOLDINGS BHD | 25/11/2021 | Trading Buy | 0.95 | 1.06 | 0.85 | 12% | -10% | 1.21x | 0.96 | 0.95 | 0.95 | Open | |
| IGB REAL ESTATE INVESTMENT T | 25/11/2021 | Trading Buy | 1.64 | 1.83 | 1.48 | 12% | -10% | 1.19x | 1.65 | 1.63 | 1.64 | Open | |
| DUOPHARMA BIOTECH BHD | 26/11/2021 | Trading Buy | 1.70 | 1.92 | 1.52 | 13% | -11% | 1.22x | 1.72 | 1.65 | 1.71 | Open | |
| THETA EDGE BHD | 26/11/2021 | Trading Buy | 0.80 | 0.93 | 0.68 | 17% | -14% | 1.17x | 0.80 | 0.73 | 0.74 | Open | |

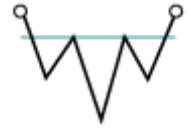



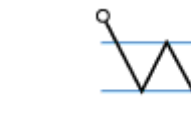
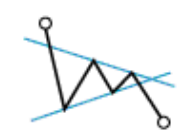

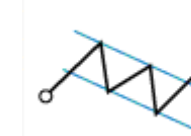
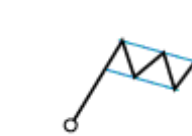

* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] Status will be categorised as either: (i) "TP hit" when stock reaches target price first or (ii) "SL hit" when stock touches stop loss first OR (iii) "Open" when neither TP nor SL has been hit.

Basic Technical Terms:

| Reversal Candlesticks | Patterns | Description |
|---|---|---|
| Doji Dragonfly Doji(Bullish) Gravestone Doji(Bearish) |  | Dojis form when a security's open and close are virtually equal. The length of the upper and lower shadows can vary, and the resulting candlestick looks like, either, a cross, inverted cross, or plus sign. Doji convey a sense of indecision or tug-of-war between buyers and sellers. |
| Engulfing Pattern |  | A reversal pattern that can be bearish or bullish, depending upon whether it appears at the end of an uptrend (bearish engulfing pattern) or a downtrend (bullish engulfing pattern). The first day is characterized by a small body, followed by a day whose body completely engulfs the previous day's price action. |
| Hammer (Bullish) Shooting Star (Bearish) |  | Hammer candlesticks form when a security moves significantly lower after the open, but rallies to close well above the intraday low. This appears in a downtrend. In contrast, the Shooting Star pattern appears in an uptrend. It opens higher, trades much higher, then closes near its open. It looks just like the Inverted Hammer except that it is bearish. |
| Inverted Hammer (Bullish) Hanging Man (Bearish) |  | The Inverted Hammer is a single-day bullish reversal pattern. In a downtrend, the open is lower, then it trades higher, but closes near its open price, therefore looking like an inverted lollipop. Hanging Man candlesticks form when a security moves significantly lower after the open, but rallies to close well above the intraday low. |
| Harami Harami Cross |  | The Harami is a two-day pattern that can be bullish or bearish. It has a small body day completely contained within the range of the previous body, and is the opposite colour. The Harami Cross is similar to the Harami. The difference is that the last day is a Doji. |
| Marubozu |  | A Marubozu candlestick has no shadow extending from the body at either the open, the close or at both. |
| Morning Doji Star (Bullish) Evening Doji Star (Bearish) |  | A Morning Doji Star (Evening Doji Star) is a three-day candlestick bullish (bearish) reversal pattern - a long-bodied black (white) candle extending the current downtrend, a short middle candle that gapped down (up) on the open, and a long-bodied white candle that gapped up (down) on the open and closed above (below) the midpoint of the body of the first day. |
| Spinning Top |  | Spinning Tops are candlestick lines that have small bodies with upper and lower shadows that exceed the length of the body. They are similar to the Doji candlesticks, and signal indecision. |

Source: Various

| Common Chart Patterns | | | | | |
|-----------------------|---|---|---|--|---|
| Reversal Patterns | Inverted Head & Shoulders (Bullish) | Head & Shoulders (Bearish) | Wedge Reversal (Bullish/ Bearish) | Double Top (Bearish) | Double Bottom (Bullish) |
| |  |  |  |  |  |
| Continuation Patterns | Symmetrical Triangle (Bullish/ Bearish) | Ascending Triangle (Bullish) | Channels (Bullish/ Bearish) | Flags (Bullish/ Bearish) | Pennant (Bullish/ Bearish) |
| |  |  |  |  |  |

Source: Various

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